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MEMORANDUM

WITH REFERENCE TO

BILL (No. 103)

"An Act relating to an Agreement between the Government of Manitoba and the Canadian Northern Railway Company, respecting certain railways."

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Memorandum with Reference to Bill (No. 103).

H.A534
3-5-25

*"An Act relating to an Agreement between the Govern-
"ment of Manitoba and the Canadian Northern
"Railway Company respecting certain railways."*

[NOTE.—THE MEMORANDUM entitled "RE CANADIAN NORTHERN RAILWAY COMPANY," "Memorandum of the Winnipeg Citizens' Committee," was prepared and printed in Winnipeg prior to the recent discussions at meetings of the Railway Committee of the House of Commons, and this present memorandum is submitted as a supplement to that memorandum, and in the light of the said discussions.]

PRELIMINARY REMARKS

BEFORE the Railway Committee the Counsel acting for those promoting the proposed legislation were requested to furnish:—

(1) The documents relating to the Minnesota and Manitoba Railway Company;

(2) The documents relating to the Minnesota and Ontario Bridge Company, and

(3) The mortgage to the National Trust Company, Limited, as Trustees, to secure the proposed issue of bonds;

all referred to in paragraph 5 of the Agreement of 11th February, 1901. None of these documents have been produced, and until they are produced it is impossible to adequately deal with the questions involved.

DOES RESPONSIBILITY REST UPON THE PARLIAMENT OF CANADA?

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IT is respectfully submitted that if the proposed bargain is carried out, responsibility will rest with the Parliament of Canada conjointly with the Legislature of Manitoba.

(*a*.) BY common consent, legislation from the Dominion is necessary in order that the proposed bargain may be carried out.

(*b*.) THE above circumstance differentiates the present case from other occasions upon which provincial legislation has come before the Parliament of

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Canada to be dealt with. In other instances the question has been—"Shall the provincial legislation be vetoed or not?" It has been those who opposed the legislation who have asked the Dominion Parliament to interfere. Here the position is entirely different. The point is demonstrated by this test:— If the Parliament of Canada does nothing, those who are opposed to the proposed bargain will be content.

IT is clear therefore that upon the Parliament of Canada will rest a responsibility in respect of the bargain, and it consequently appears to be the dutyof each and every Member of the Parliament to enquire into the whole transaction.

AS an illustration of the present position, take the case of an incorporated company, whose commercial paper is, by its by-laws, not binding until it has been countersigned by the president. Assume that, either from a perusal of the particular document presented to him for his signature, or from extraneous sources the president learns that the matter is open to grave difficulties and exceptions. The president signs. Can he afterwards be heard to suggest that no responsibility in the premises rested upon him?

THE language of the PREMIER OF MANITOBA as to the part required at the hands of the Parliament of Canada is as follows: "I am willing to admit and I have no disposition to conceal that we must have Dominion legislation before we can legally carry out the provisions of the Act."

ATTENTION is therefore in this connection directed to the portions of the memorandum already distributed which are headed "Merits of the Transaction."

MERITS OF THE TRANSACTION

IN addition to the points in the said memorandum set forth, the following circumstances are, it is submitted, of great importance:

THE power of the Province to fix a rate which will meet with the wishes of the people of the Province may be, in effect, taken away by excessive rates upon the section of the railway system in question which runs through a portion of the United States. At the present time it is impossible to discuss this matter satisfactorily, by reason of the fact that the arrangements, whatever they may be, which have been made between the Canadian railway company and the foreign railway company have not been produced.

THIS portion of the system may be made a means whereby the "working expenditure" referred to in paragraph 11 of the agreement of 11th February 1901 may be so inflated as to absorb, either continuously or periodically as may best serve the purposes of the railway company, the receipts and income of the Company. It will be observed, by a reference to the said paragraph 11, that the Minnesota and Manitoba railway is to be considered a railway included in the

lines of railway whose working expenditure is first of all to be met by the receipts and income. There may be an entirely disproportionate allocation of the working expenditure of the whole of the system to this portion, and as the portion in question is not within the control of any Canadian power, any such unfair course of conduct would, it is submitted, be a matter beyond redress. In the item of rolling stock alone it is palpable that the intention of the said paragraph may be defeated by clever manipulation upon the part of the Company.

IN connection with the merits it may be well to point to the provision in paragraph 5 of the said agreement of 11 February 1901.

THE mortgage at present existing over the lines of the Canadian Northern Railway in Manitoba provides for $8,000 per mile, and this amount only is guaranteed by the Manitoba Government. Yet in the said paragraph 5 it is stated that the bonds are to be secured by (amongst other things) a second charge upon "the lines in Manitoba already covered by the mortgages securing the bonds heretofore guaranteed by the Government after a first charge of $10,000 per mile." This would certainly seem to suggest that the Government proposes to guarantee an additional $2,000 per mile. It has been stated that there is no such intention, and that the bargain between the Company and the Manitoba Government does not include a guarantee of the said additional amount. Yet we find, in the prospectus issued by the Company last year and containing the names of the officers of the Company, including the name of the present Counsel for the Company as a director, and the name of his firm as solicitors, the following statement:—

"THE Company has issued in its Winnipeg and Saskatchewan divisions 4% 30-year Gold Bonds, at the rate of $8,000 per mile, which may be increased to $10,000 per mile as above mentioned, which bonds are guaranteed, principal and interest, by the Government of Manitoba."

BEYOND question any reader of the prospectus would infer that the guarantee extended to the whole of the $10,000 per mile, and one is consequently driven to the conclusion, looking at the high standing of those whose names have just been alluded to, that those responsible for the document relied, prospectively at all events, upon such an extended guarantee. Coupling together the language of the prospectus and that of the present paragraph 5, it is more than ever clear, it is submitted, that the proposed mortgage should be produced before the legislation in question is passed by the House.

THE CONSTITUTIONAL QUESTION.

ATTENTION is directed to the points contained in the Memorandum already supplied, as well as to the following:

ACQUISITION BY A PROVINCE OF A DOMINION RAILWAY.

(*a*.) IT is submitted that the Province of Manitoba cannot acquire a Dominion Railway. In reply to this proposition counsel acting for those interested in promoting the proposed legislation have referred to a certain instance which they cite as a precedent. It is submitted that on a careful perusal of the other case it will be found to differ from the present instance, in that it does not involve the acquisition by the Provincial Government (a sovereign power) of a Dominion franchise, to be exercised by the Provincial Government as a Government. It is rather (it is submitted), a case of an appointment by the Dominion of a member of the Provincial Executive as one who is, and can be kept, subordinate to the Dominion and its jurisdiction. Apart, too, from any such difference, it is submitted that whilst in the cases referred to there may have been some good reason, as for instance from the point of view of general convenience or good to the commonwealth, for straining the Constitution, no such good reason exists here. Indeed, the plainly expressed view of the Minister particularly concerned, namely, the Honourable the Minister of Railways and Canals, is that a "grave clash" may ensue between the Provincial and Dominion jurisdictions.

CONTROL OF RATES.

(*b*.) PASSING next to the consideration of the control of rates, it is admitted by all that, if the scope of the bargain is to give to the Provincial Government absolute control, without reference to the Dominion jurisdiction, the proposed arrangement is *ultra vires*.

IT is submitted that it was the understanding of the people of Manitoba, and also of the Legislature of that Province, that the Provincial Government was getting the absolute control of rates.

THE following remarks made by the PREMIER OF MANITOBA during the course of the debate in the Legislature are of great significance:—

[NOTE.—The citations are from the *Winnipeg Weekly Telegram* of 14th March 1901.]

. . . . . WE made up our minds as to what we wanted. I stated that we wanted absolute control of the freight rates, and the right to say through parliament what rates should be placed on the ordinary merchandise or produce that was to be carried to the markets of the world. I might say that the right to control these rates was not obtained without considerable argument and negotiations. . . . . .

. . . . . ON the point of competition that the Railway Committee of the Privy Council controls the rates, I want to quote an authority hon. gentlemen opposite will not dispute, and one I respect myself. Mr. J. S. Willison is

editor of the *Toronto Globe*, whose opinion from one end of Canada to the other is respected, whose ability in matters of this kind cannot be doubted. He says that Canadian railways are under no adequate measure of Government control; that the railway committee has acted as a mere registrar of the decrees of the carrying corporations. The Committee has shown some capacity for usefulness, but in regulating rates, protecting individuals and the community against injustice and insidious aggression, it is a failure. For reasons such as those expressed by Mr. Willison we were satisfied and convinced that the only relief was by taking power ourselves by contract with the railway corporation to control the matter direct. . . . . ."

ATTENTION is also directed to a statement contained in a memorandum published in the *Winnipeg Morning Telegram* as late as 19th April, 1901, and designed to meet the objections raised by the delegates from Manitoba. In reply to a statement by the delegates in their first memorandum, that "eminent counsel doubt the right of the Dominion Parliament to delegate to the Government of Manitoba power to fix rates," it is stated "*the power of the province to control rates is absolute.*"

IT is submitted that the language "*absolute control*" is entirely inconsistent with any suggestion of interference by any other authority. The word "*control*," (taken alone) is altogether inconsistent with any notion of an authority higher than that which is stated to have the control. When to the word "*control*" is added the word "*absolute*," it means an entire disregard of the ordinary meaning of words to suggest that the control is limited in any way.

THE view of Mr. Christopher Robinson, K.C. (whose eminence in his profession need not be enlarged upon) is that the provision in paragraph 8 of the agreement of 11th February, 1901, is an abdication of its functions by the Dominion Government, rather than a delegation of its authority. He has also pointed out that the answer to the question as to whether or not it is an abdication or a delegation must be regarded as of no real moment if the proposed plan is (as he holds it to be), contrary to the SPIRIT of our constitution as contained in the British North America Act. It would appear that he is not able to appreciate the concern of some as to the precise construction of the LETTER of the Constitution, when it is clear that the SPIRIT of the Constitution will be transgressed, and when the matter which comes up for determination is as to a course of conduct which has not already been embarked upon, but is still a matter for decision.

IN the view of the Honourable the Minister of Railways and Canals no more serious matter has arisen for consideration for many years past, and, with submission, it is urged that the only logical line of action, in the light of his remarks before the Railway Committee, is to refuse, or at all events to postpone, the legislation now asked for.

BE it noted that it is not a matter of speculation as to whether or not a difference of view will obtain between the Province of Manitoba and the Dominion Government, because it has already been demonstrated that a difference of view exists.

IN the course of the debate in the Manitoba Legislature the PREMIER OF MANITOBA made use of the following significant words (the citation is from the *Winnipeg Weekly Telegram* of 14th March, on page 10):—

"..... THE next is the control of freight rates from Manitoba to points in Ontario, etc. That ground was thoroughly gone over and we decided not to have that. Clause 8 provides that we regulate the rates from all points in Manitoba to any other point in Manitoba. *If the Company charged high rates therefore from points in Ontario to the Manitoba boundary, and the low rates fixed by the Government prevail in Ontario, it would redound to the advantage of the Province, as the HIGH LOCAL RATE between points in Ontario would add to the revenue and still further safeguard the Province from any possibility of a deficit.*"

IT is therefore clear that the Manitoba Government contemplated (and must be held to still contemplate) as a PROBABLE RESULT of the bargain that HIGH LOCAL RATES would obtain in ONTARIO. Not only so but the circumstance is evidently contemplated by that Government with equanimity; it is thus demonstrated that, in the view of the Manitoba Government, their control is of such a character that if high local rates in Ontario are induced by reason of the proposed contract, that is NOT a circumstance which would call for REDRESS but simply a natural consequence of the bargain and a consequence which would assist them in carrying out their agreement (which the Dominion is now asked to RATIFY) to meet any deficiency which might otherwise arise. It is naturally a matter of great satisfaction to those who view the proposed bargain as one likely to cause the ruin of the Province of Manitoba to observe that the Minister of Railways has not been slow to see the probable (perhaps he would only say possible) consequence of the proposed arrangement. The point which is now being insisted upon is that the controversy is not a matter of speculation but is already to the front.

IMPRESSED with the gravity of the situation the Honourable the Minister of Railways has had included in the Bill a section of which he has expressed the hope that it will be found "advantageous" in this particular connection.

IT is submitted however that if the section is to be advantageous in any real sense, the contract as viewed by Manitoba must be entirely changed. The new section provides that the Company will not make any "discriminating rate." This provision must be construed with reference to the particular matter in relation to which it is used. The result is that the "discriminating rate"

which the Company is not allowed to make must be held to apply, not only as between any individual and any other individual, but also as between the people of any one district or province and the people of any other district or province. But the whole theory, or intent of the bargain in question is to give to the shippers from Manitoba and Port Arthur a particular advantage. That is to say, the very essence of the bargain is and must be (if the Province is to get anything at all) DISCRIMINATING RATES in favour of shippers from Manitoba and Port Arthur.

THE matter would, therefore, so far as this present point is concerned, appear to resolve itself into the following propositions:

1. IF section 3 is not an effective piece of legislation, then Manitoba and the Dominion are already at issue. The Province contemplates the existence of relatively excessive rates in Ontario with equanimity, whilst the Dominion views such a state of affairs (as in duty bound, as a trustee for the people of all the different provinces of the Dominion, it must) with grave alarm.

2. IF section 3 is an effective piece of legislation, the bargain which the Manitoba Government was authorized by the Legislature of that province to enter into has been changed. It is submitted, therefore, that before the legislation as now proposed is carried, an effort should be made to see, either by a reference to the Manitoba Legislature or to the Courts or by some other means, if a way can be found whereby some legislation can be devised, which, whilst carrying out the views of the people of Manitoba (when they have had an opportunity to express their views), protects also the interests of the people of the other provinces.

BEFORE passing from the subject of the control of rates, attention is particularly directed to the following:

UNDER the Railway Act, and under the Dominion Subsidy Acts, which authorized aid to be given to the Company, control of rates is secured to the Dominion. Aid has also been given to the Company by the Province of Ontario, and that aid has been given upon the faith that the rates would be controlled by the Dominion Government.

BOTH the spirit and the letter of the Railway Act impose upon the Dominion Government the duty of seeing that rates are equalized.

IF the Dominion Government fails at any time or in any particular to carry out proper EQUALIZATION of rates the people of the different provinces have an opportunity through their members in the Dominion Parliament to voice their complaints, and it is not to be assumed for a moment that, if a proper and sufficient complaint is made, their voices will not be heard.

ON the other hand, there is no sense or meaning in the proposed bargain if it does not involve the idea of DISCRIMINATION.

AND if discrimination is made in favour of the people of the Province of Manitoba no member from any other province can be heard, not even a member from a province which has already subsidized or agreed to subsidize the undertaking in question to the extent of over $600,000.

IF, in spite of the protestation upon the part of those representing substantial and serious interests in the Province of Manitoba, this legislation were to pass and the proposed arrangement were to come into force, and hereafter a trouble were to rise upon the score of a complaint by shippers in the Province of Ontario (or, later on, in the North West Territories; or, later still, in British Columbia) what would be the position of affairs? If the shippers appealed to the Executive Government of Manitoba their reply would naturally be that they were acting under a bargain which they had paid for and which the Dominion Government had ratified. The shippers then turn to the Dominion Government. The Dominion Government, impressed with the complaint, seek to control the rates which are being complained of. The Company retorts that it is obliged to charge these high rates, because the Province has so reduced the rates in Manitoba that unless the Company charges high rates elsewhere a deficiency must ensue. The Manitoba Government naturally supports the Company in this attitude. The Dominion Government takes issue with the Provincial Government. (The possibility of such a juncture should be sufficient to make a postponement of this legislation inevitable.) The Dominion Government states that it is concerned for equalization and points to section 3 of the present Bill. The Province retorts that the Dominion ratified the bargain, and that section 3 cannot be given any real or comprehensive construction as the WHOLE OBJECT of their bargain was to get the POWER TO DISCRIMINATE, that the ratification of the bargain by the Dominion involved an acceptance of the principle of discrimination, and that that consideration should override any incidental clause of the legislation.

IT is submitted that the only way in which a retention of control by the Dominion can be accomplished (at all events without serious risk of grave controversy with the Province) is by putting in such a clause as would wreck the whole bargain, and that unless this is done the fears of the Honourable the Minister of Railways are only too likely to be amply justified in the not distant future.

IT is only necessary to point to the difficulties which are at present engaging the attention of the Parliament of Canada with reference to a clause of an agreement made with another railway which was then expected to become, and which is now in fact, transcontinental, to make obvious beyond question, the desirability of determining points of this kind before-hand, instead of leaving them as serious grounds for disturbance, unrest, and possible injustice, in the future.

THE BARGAIN WHICH IS TO BE RATIFIED IS NOT THE BARGAIN OF THE PROVINCE OF MANITOBA.

1. IN this connection, without again elaborating the point, the provisions which bear upon the subject of the control of rates are here set out :-

IN the agreement of 11th February, 1901, it was by paragraph 8 provided as follows :

> "8. In consideration of the guarantee of the said bonds and the assignment of said lease and option, the Company hereby agrees that up to the 30th day of June, A.D. 1930, the Lieutenant-Governor-in-Council shall from time to time fix the rates to be charged or demanded by the Company for the carriage of all freight from all points on the Company's lines in Manitoba to Port Arthur, and from Port Arthur to all points on the Company's lines in Manitoba, and from all points on the Company's lines in Manitoba to all other points on said lines in Manitoba. Provided always that, before any rates are so fixed, the Company shall be heard, and their interests taken into consideration. The Company agrees that it will not at any time after the said rates have been so fixed charge or demand for the carriage of freight between the points aforesaid greater rates than those so fixed by the Lieutenant Governor-in-Council."

IT is submitted that under the above paragraph *absolute* control over freight rates was given to the Province.

BY Section 3 of Bill No. 103 it is provided as follows :

> 3. Nothing in this Act or in the Indentures in the Schedules hereto contained, or done in pursuance of this Act or of the said Indentures, shall :
>
> (*a*) Divest or limit, temporarily or otherwise, the rights or powers (under existing or future legislation of the Parliament of Canada) of the Governor-General-in-Council, or of the Railway Committee of the Privy Council, or of any commission or other authority, respecting any matter or thing, obligation, or duty ;
>
> (*b*) Place the Government of Canada, directly or indirectly, under any liability, obligation or duty with respect to any bonds, debentures, stocks, or securities of any kind, or any interest therein, or any payment, matter or thing in the said Indentures provided for or referred to or in any way arising therefrom ;

(c) Authorize the Canadian Northern Railway Company to charge or demand any discriminating rate for the carriage of freight or passengers, or to allow or make any secret or special tolls, rebate, drawbacks or concession, or any higher rates for the carriage of freight or passengers than those heretofore or hereafter fixed under the authority of existing or future legislation of the Parliament of Canada by the Governor-General-in-Council or by the Railway Committee of the Privy Council or by any commission or other authority."

It is submitted that the above provisions of Section 3 are inconsistent with the bargain made by the Province of Manitoba.

2 IN addition to the particular of the control of rates, it will be seen that there are other particulars in which beyond question (as it is submitted) the contract has been changed.

BY paragraph 5 of the said agreement of 11th February 1901, it was provided as follows:

> . . . The said mortgage securing said issue is to be in a form satisfactory to the Lieutenant-Governor-in-Council, and to be in similar terms so far as applicable to the mortgage set out in Schedule B to chapter 57 of the Statutes of Canada for the year 1899, together with such changes and additional clauses as may be necessitated by the terms of this agreement.

IN the Bill passed by the Manitoba Legislature a section was included enabling the Lieutenant-Governor-in-Council to vary the provisions of the said agreement of 11th February 1901, and providing that a certain specific change should be made in the terms of the bargain. This section reads as follows:

> 8. There shall be included in the mortgage securing the said guaranteed bonds, and provided for by paragraph 5 of said indenture, such terms to amplify and carry out the provisions of the said indenture and such other terms as the Lieutenant-Governor in-Council may deem necessary in the public interests, *though the same may be at variance with* any of the provisions of the said indenture, and the said Company having consented thereto, the mortgage shall include terms providing that so much of clause 11 of said indenture as provides that the deficiency (if any) therein mentioned shall be borne by the Government shall not apply until one or other of the following reductions in the company's rates has taken place.
>
> (a) Reductions amounting together to more than 4 cents per 100 lbs. on the tariff rates in force on the date of said indenture, for the carriage of grain from Manitoba to a Lake Superior port, and

(*b*) Reductions amounting together to more than fifteen per cent. of the tariff rates in force on the said date for the carriage of all other freight from and to points in Manitoba to and from Fort William or Port Arthur.

Also providing that any deficiency paid by the Government and arising prior to the time when said provision in clause 11 applies as aforesaid, shall be secured and repaid by the Company as may be determined by the Lieutenant-Governor-in-Council and provided for in said mortgage.

Provided always that the rates for the carriage of cordwood, pine, and spruce logs established under existing contracts with the Government shall continue; and the said mortgage and indenture shall be taken and construed together, and the construction to be given thereto shall be the one most favourable to the Province."

BY this enactment two things were accomplished: (1) The Lieutenant-Governor-in-Council was given power to change any of the provisions of the bargain. (2) There was a specific change made in the bargain between the parties.

IN Bill No. 103, as originally submitted to the Parliament of Canada, a section (namely, section 2) was inserted to provide for changes which the Lieutenant-Governor-in-Council might deem necessary. The language of the said section was as follows:—

"2. The Company may, in the mortgage securing the bonds mentioned in paragraph five of the said Indenture, agree to such terms to amplify and carry out the provisions of the said indenture and such other terms as the Lieutenant-Governor-in-Council of the Province of Manitoba may deem necessary in the public interests, though they may be at variance with any of the provisions of the said indenture."

THE Parliament of Canada would of course have refused to pass any such section, and the promoters of the bill have withdrawn it.

THE Parliament of Canada is not being asked to carry out the wishes of the Legislature of Manitoba, as set forth in their legislation, but is on the contrary being asked *to enable the Railway Company to enter into a bargain which is not the bargain endorsed by the Legislature of Manitoba.*

IF the Parliament of Canada passes the present legislation, there will be no authority given to the railway company to enter into the bargain authorized by the Legislature of Manitoba; but, on the contrary, to enter into a bargain which that Legislature was not willing to endorse, unless the changes mentioned above were made in it.

IN other words, according to the bargain as originally entered into between the parties, there is no power on the part of the Lieutenant-Governor to include any term which is at variance with the agreement of 11th February, 1901, whilst the Legislature of Manitoba endorsed the bargain only upon the condition that a certain *specific* change should be made in it, and that there should be included in it "such other terms as the Lieutenant-Governor-in-Council may deem necessary in the public interests, though the same *may be at variance with any of the provisions of the said indenture.*"

GENERAL

IT is difficult, within anything like moderate compass, to set out all the difficulties which lie in the way of the proposed legislation, and the following points are, for the sake of brevity, merely alluded to, they being in part a summation of, and in part an addition to, what has gone before.

1. THE plan proposed includes ownership by the Province of Manitoba (a sovereign power) of a Dominion Railway, that is to say, a railway subject to the control of the Dominion.

2. THE rates of the Company are, by the Railway Act, subject to the control of the Dominion only.

3. THE rates of the Company are, by the Dominion Acts authorizing its subsidies, subject to the control of the Dominion only.

4. BY the terms of the Dominion subsidy Acts, the compact of the Company with the Dominion is that the rates shall be subject to the control of the Dominion only.

5. IN the same way, by virtue of its subsidy Acts, Ontario is entitled to demand of the Company that its rates be subject to the control of the Dominion only.

6. ALL the Provinces other than Manitoba, as Members of the Confederation, are entitled to ask of the Dominion that the rates be subject to the control of the Dominion only.

7. A portion of the railway system runs through a foreign country, and it is impossible to tell what difficulties may rise from this circumstance, especially in view of the fact that the documents relating to the portion in question have not been produced.

8. THE railway system in question crosses an international bridge, the rates upon which are subject to the jurisdiction of the foreign state and the Dominion. It might be noted that the bridge connects, not Manitoba, but Ontario, with the foreign country.

9. A very serious constitutional question is involved as to the whole of the bargain.

10. A very serious constitutional question is also involved as to the control of rates.

11. IF the Dominion legislation has not changed the bargain as to rates, the Province and the Dominion are already at issue.

12. IF the Dominion has changed the bargain as to rates, the mandate of the people of Manitoba, as expressed through their Legislature, is not being carried out.

13. THE Dominion has changed the bargain in other particulars, so that the bargain is not that of the people of Manitoba.

14. WHICHEVER view may ultimately be proved to have been correct in respect of the serious questions raised, the mere existence of those questions is enough to justify delay and to condemn a haste unfitting to the magnitude of the difficulties involved.

IN conclusion, it is earnestly hoped that the Parliament of Canada will come to the conclusion that the matter is one which (projected into Parliament during the busy hours of a session) cannot be satisfactorily and adequately considered during the strain and stress of the session, but should be allowed to stand over until opportunity has been given to consider it under more favourable circumstances.

THE framers of this document, who represent important business and other interests of Manitoba, have endeavoured, whilst being faithful to their trust, to express themselves with becoming temperateness. They would desire, however, to have it understood that the view of those whom they represent is that the proposed bargain means ruin to the Province of Manitoba. They have reason to believe, from remarks which have from time to time been made to them in Ottawa, that the view of some is that the matter is one in which the Province of Manitoba alone is concerned. Even if that were the case, they would respectfully urge that, as the ultimate responsibility of the bargain rests upon the Dominion, wherever the primary responsibility may rest, the burden is imposed upon the members of the Parliament of Canada of satisfying themselves that the bargain is a good one, before voting in favour of the proposed legislation. It is consolatory, however, to reflect that this inadequate view, as to the scope and possible effects of the proposed legislation, is not shared in by the Minister of the Crown who is more immediately concerned with railway undertakings.

IT is respectfully submitted that effect can best be given to the responsible and statesmanlike words which have been uttered by the Honourable the Minister

of Railways and Canals as to the serious character of the questions involved by determining to postpone decisive action.

IT will be borne in mind that the proposed bargain is for a period of thirty years. It is impossible to forecast the progress which will be made by the several parts of Canada during that period. If, however, at the present stage in the development of our country, it is seen to be a serious matter that there should be difference of view, and of attempted lines of action, between a Province and the Dominion, how much more so will it be in the time to come, for it is obvious that the seriousness of a "grave clash," whether between the people of a Province and the Executive Government of that Province, or between one Province and another Province or between a Province and the Dominion, is likely to grow, rather than lessen, with the increase in importance and prestige of the Confederation.

OTTAWA, 6th May, 1901.

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